CLEVELAND PUBLIC LIBRARY
BUSINESS INF. BUR.
CORPORATION FILE

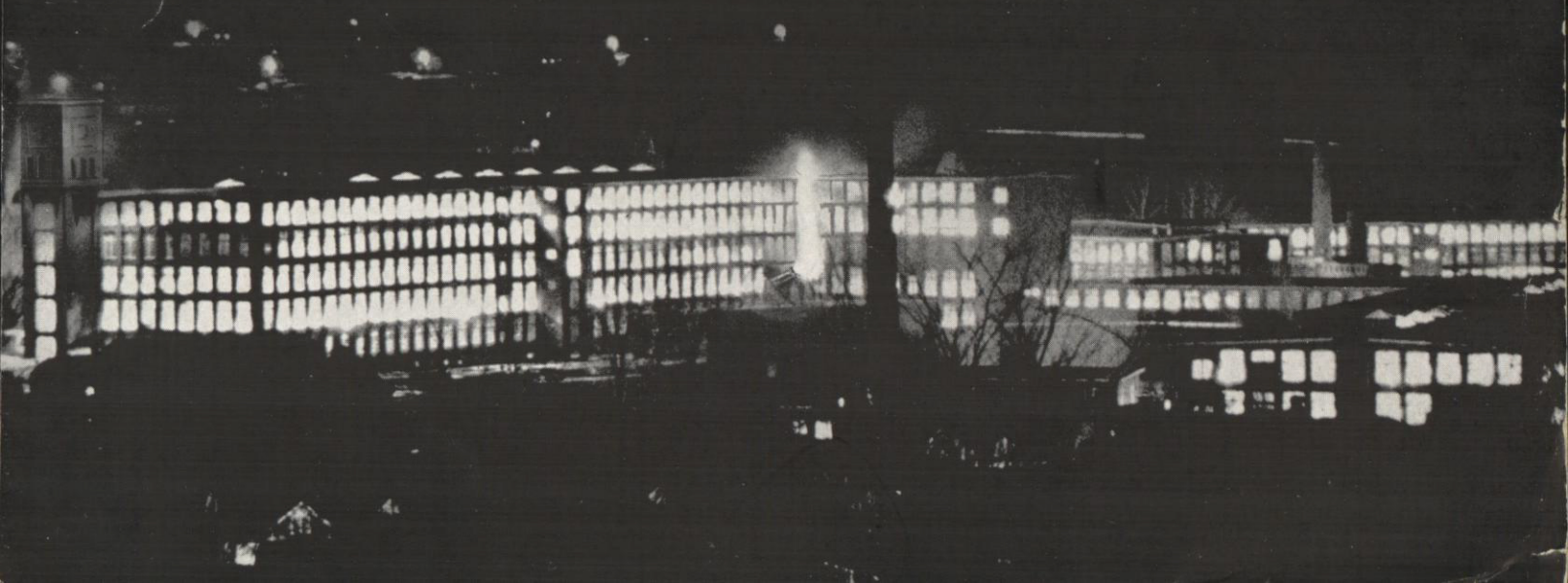
BERKSHIRE

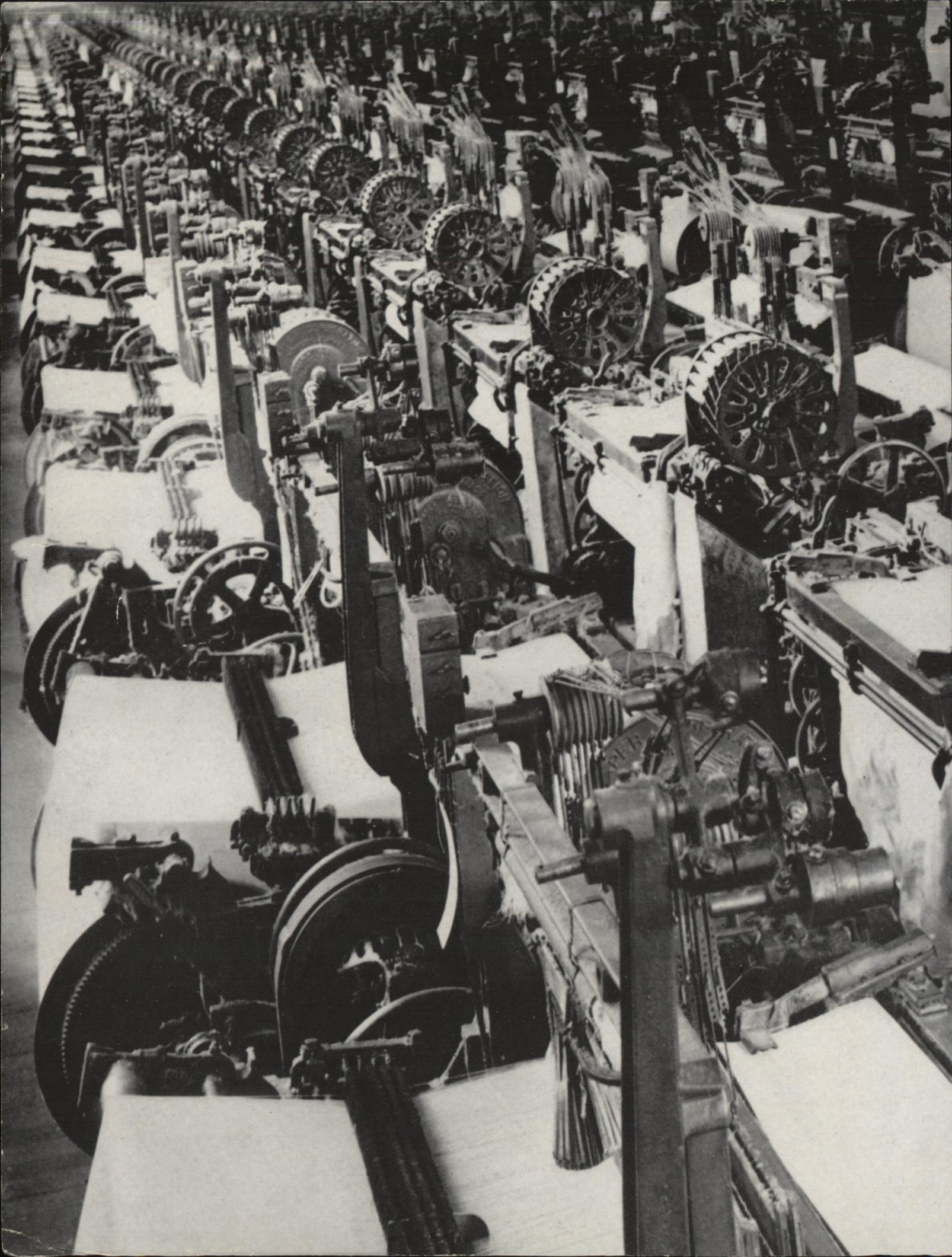
FINE SPINNING ASSOCIATES, INC.

1943

ANNUAL REPORT

BERKSHIRE IN A YEAR OF WAR





BERKSHIRE FINE SPINNING ASSOCIATES, INC.

ANNUAL REPORT—1943

OFFICERS

President	JOHN H. MCMAHON
Vice President	WALLACE E. STODDARD
Vice President	THOMAS F. TANSEY
Vice President	GEORGE E. WESTBERG
Vice President	AVERY K. WHITE
Treasurer and Vice President	MALCOLM G. CHACE, JR.
Assistant Treasurer	HENRY S. NEWCOMBE
Assistant Treasurer	LINSLEY V. DODGE
Assistant Treasurer	EDWARD H. ARNOLD
Clerk	GIBBS W. SHERRILL

DIRECTORS

*MALCOLM G. CHACE, SR.
WILLIAM H. JENNINGS
W. R. L. MCBEE
*JOHN H. MCMAHON
*RALPH H. PAIGE
WILLIAM C. PLUNKETT
*GIBBS W. SHERRILL
A. N. WINSLOW, JR.

**Executive Committee*

OPERATIONS

The products and services of the Berkshire Fine Spinning Associates, Inc. are provided by the following divisions and wholly-owned companies:

BERKSHIRE FINE SPINNING ASSOC., INC.
MICO TEXTILE DIVISION
FINE GOOD SALES ASSOC., INC.
WARREN TEXTILE AND MACHINERY SUPPLY CO.
SHELLMOUND WAREHOUSE COMPANY

operating Mills at Adams, North Adams, Holyoke and Fall River, Massachusetts, Albion, Anthony and Warren, Rhode Island and Brattleboro, Vermont.

OPENING

COMBING

BERKSHIRE FINE SPINNING ASSOCIATES, INC.

ANNUAL REPORT

AS OF SEPTEMBER 30, 1943

To The Stockholders of
Berkshire Fine Spinning Associates, Inc.

There is herewith presented a Consolidated Balance Sheet of your Company at September 30, 1943 and a Condensed Consolidated Statement of Income and Earned Surplus, together with a Statement of Capital Surplus for the year ended at that date. A Balance Sheet of Warren Textile and Machinery Supply Company, a wholly owned subsidiary, which is not consolidated, is also submitted.

The Sales for the year were $38,679,236.55, as compared with $37,771,-887.70 in the previous fiscal year.

The Net Profit for the year, after all charges, including Taxes on Income amounted to $1,724,446.21. Taxes on Income charged to the operations of the fiscal year amounted to $5,503,820.28, against $5,836,800.21 for the fiscal year ending in 1942.

Your Company and the Government have renegotiated its war contracts for the period ended September 30, 1942. This adjustment is reflected in the Statements attached.

More than one thousand of the Company's employees are now in the Armed Services and many others have left to engage in more remunerative industries. We expect this trend to continue.

RAINCOATS • SLEEPING BAGS • CAMOUFLAGE CLOTH • MARINE PONCHOS

"COTTON FIGHTS ON EVERY FRONT"

"COTTON FIGHTS ON EVERY FRONT"

UNIFORM SHIRTINGS • SHORTS • HANDKERCHIEFS • MOSQUITO BARS • SKI SUITS

Taxes are becoming more and more of a burden and during the past year the taxes charged against the earnings are, on Income Taxes $5,503,820.28, Social Security Taxes $452,918.78, Property and Miscellaneous Taxes $317,-230.83, totaling $6,273,969.89.

Since the beginning of the war we have delivered to our own and Allied Forces 178,000,000 yards of war material. We hope our reconversion expense will not be unduly burdensome.

The Office of Price Administration has established ceiling prices on all of our goods so that continued increase in the cost of raw materials, labor and expense must be absorbed by the Company.

In these trying times we are keeping an especially close check on our inventories and commitments as we realize post war days may carry many changes.

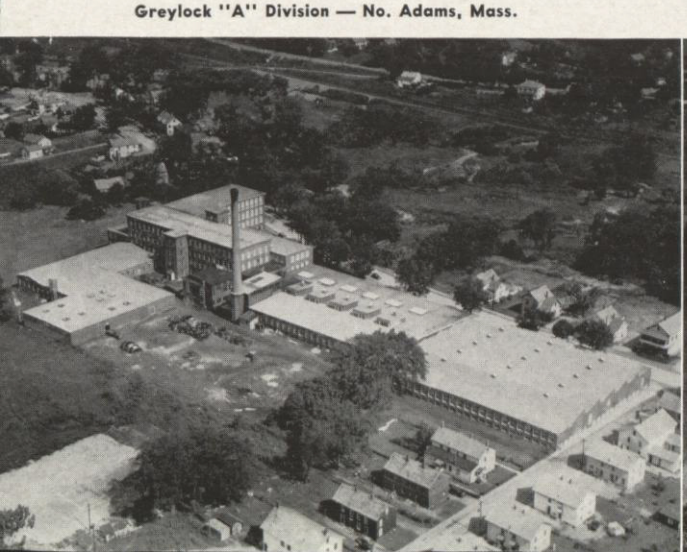
Our appreciation is extended to the officials and employees of the Company for their loyal and efficient services given so wholeheartedly during the year.

Respectfully submitted,

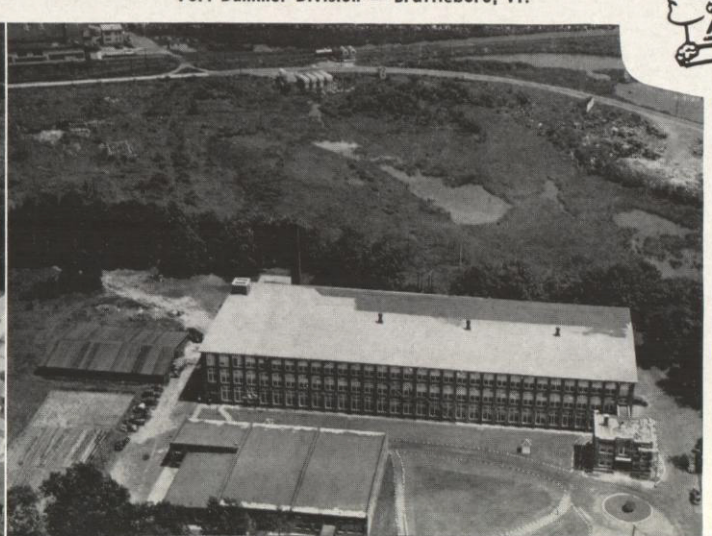
JOHN H. MCMAHON
President

November 18, 1943

Greylock "A" Division — No. Adams, Mass.



Fort Dummer Division — Brattleboro, Vt.



BERKSHIRE FINE SPIN

(The Accounts of Warren Textile and

CONSOLIDATED

SEPTEMBER

ASSETS

CURRENT ASSETS		
Cash	$2,558,834.37	
Accounts Receivable (Less Reserve $270,225.99)	2,525,166.17	
U. S. Government Securities (Estimated Market Value $129,685.00)	129,000.00	
Inventories	5,402,279.73	
TOTAL CURRENT ASSETS		$10,615,280.27
OTHER ASSETS AND DEFERRED CHARGES		
Investments in and Advances to Correlated and Subsidiary Companies Not Consolidated	97,355.28	
Notes and Other Amounts Receivable	16,713.06	
Prepaid Insurance, Taxes and Other Assets	308,181.10	
Supplies Inventory	63,682.14	
Post-War Refund of Excess Profits Taxes	590,450.00	
TOTAL OTHER ASSETS AND DEFERRED CHARGES		1,076,381.58
PLANT ASSETS		
Properties Comprising Land, Buildings, Machinery, Equipment and Developed Water Power (Depreciated Book Value)		5,955,500.77
TOTAL ASSETS		$17,647,162.62

NOTE: (*a*) Cotton Commitments for Future Delivery, $59,786.56.
(*b*) No provision has been made in the accounts for renegotiation of war materials contracts subsequent to September 30, 1942.
(*c*) Federal Tax Returns for years subsequent to fiscal year 1940 have not been finally reviewed by the Treasury Department.

NING ASSOCIATES, INC.

Machinery Supply Co. Not Consolidated)

BALANCE SHEET

30, 1943

LIABILITIES AND CAPITAL

CURRENT LIABILITIES			
Accounts and Vouchers Payable		$974,320.50	
Taxes Accrued or Payable		266,921.74	
Social Security and Withholding Taxes Payable		240,875.29	
Provision for Taxes on Income (Less $6,375,098.00 U. S. Treasury Tax Notes)		526,924.40	
TOTAL CURRENT LIABILITIES			$ 2,009,041.93
RESERVE FOR CONTINGENCIES AND POST-WAR ADJUSTMENTS			1,000,000.00
CAPITAL			
7% Cumulative Convertible Preferred Stock ($100.00 Par Value) Authorized and Issued 4,846 Shares		484,600.00	
$5.00 Dividend Cumulative Convertible Preferred Stock (Without Par Value) Authorized 119,580 Shares — Issued 72,907 Shares		7,108,432.50	
Common Stock (Without Par Value) Authorized 1,000,000 Shares — Issued 483,669 Shares		4,836,690.00	
Capital Surplus		155,116.98	
Earned Surplus (Since September 30, 1939)		2,711,864.20	
Total		$15,296,703.68	
Less: 6 Shares 7% Cumulative Convertible Preferred Treasury Stock at Cost	$415.50		
7617 Shares $5.00 Dividend Cumulative Convertible Preferred Treasury Stock at Cost	454,344.50		
26,543 Shares Common Treasury Stock at Cost	203,822.99	658,582.99	
TOTAL CAPITAL			14,638,120.69
TOTAL LIABILITIES AND CAPITAL			$17,647,162.62

(*d*) The excess of the Company's equity in the Net Assets of Warren Textile and Machinery Supply Co. over its investment therein, at September 30, 1943, amounted to $68,753.26 and represents the undistributed Net Earnings of the subsidiary since date of incorporation.

BERKSHIRE FINE SPINNING ASSOCIATES, INC.

(The Accounts of Warren Textile and Machinery Supply Co. Not Consolidated)

CONDENSED CONSOLIDATED STATEMENT OF INCOME AND EARNED SURPLUS

FOR THE YEAR ENDED SEPTEMBER 30, 1943

GROSS INCOME			
Sales		$38,679,236.55	
Other Income		57,962.26	
TOTAL GROSS INCOME			$38,737,198.81
Less: Cost of Sales, Operating, Selling and Other Administrative Charges			30,703,833.65
PROFIT FOR PERIOD BEFORE DEPRECIATION AND OTHER DEDUCTIONS			$ 8,033,365.16
Less: Interest Paid		1,488.77	
Depreciation		575,437.80	
Loss from Disposal of Plant Assets		3,172.10	
Reserved for Contingencies and Post-War Adjustments		225,000.00	
Provision for Taxes on Income	$6,044,270.28		
Less: Post-War Refund	540,450.00	5,503,820.28	6,308,918.95
NET INCOME FOR PERIOD TRANSFERRED TO EARNED SURPLUS			$1,724,446.21
Earned Surplus at Beginning of Year			2,362,003.09
Total			$4,086,449.30
Less: Provision for Payment to U. S. Government Resulting from Renegotiation of War Materials Contracts to September 30, 1942		100,000.00	
Dividends Paid:			
7% Preferred Stock at $7.00 per Share	33,880.00		
$5.00 Dividend Preferred Stock at $5.00 per Share	326,455.00		
Common Stock at $2.00 per Share	914,250.10	1,274,585.10	1,374,585.10
EARNED SURPLUS (Since September 30, 1939) AT CLOSE OF YEAR			$2,711,864.20

CONSOLIDATED CAPITAL SURPLUS ACCOUNT

SEPTEMBER 30, 1943

CAPITAL SURPLUS BALANCE AT SEPTEMBER 30, 1943 (No Change During Year)	$155,116.98

CERTIFICATE OF AUDITORS

We have examined the Consolidated Balance Sheet of Berkshire Fine Spinning Associates, Inc. and its subsidiaries, at September 30, 1943 and the Consolidated Statements of Income and Surplus for the year then ended, have reviewed the system of internal control and the accounting procedures and, without making a detailed audit of the transactions, have examined or tested accounting records and other supporting evidence, by methods and to the extent we deemed appropriate. Except that it was not practicable to confirm receivables from United States Government Departments, as to which we have satisfied ourselves by means of other auditing procedures, our examination was made in accordance with generally accepted auditing standards applicable in the circumstances, and included all procedures which we considered necessary.

In our opinion, the accompanying Consolidated Balance Sheet and related Statements of Income and Surplus, with the notations thereon, present fairly, the Company's consolidated financial position at September 30, 1943 and the consolidated results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

COMERY, DAVISON & JACOBSON
Certified Public Accountants

Providence, R. I., October 21, 1943

WARREN TEXTILE AND MACHINERY SUPPLY CO.

BALANCE SHEET

SEPTEMBER 30, 1943

ASSETS

CURRENT ASSETS		
Cash	$ 3,052.95	
Accounts Receivable	3,091.07	
Inventories	74,960.97	
TOTAL CURRENT ASSETS		$ 81,104.99
OTHER ASSETS AND DEFERRED CHARGES		
Prepaid Insurance and Taxes	7,675.39	
Post-War Refund of Excess Profits Taxes	1,471.71	
TOTAL OTHER ASSETS AND DEFERRED CHARGES		9,147.10
PLANT ASSETS		
Properties Comprising Land, Buildings, Machinery and Equipment (Depreciated Book Value)		103,465.17
TOTAL ASSETS		$193,717.26

LIABILITIES AND CAPITAL

CURRENT LIABILITIES		
Accounts and Vouchers Payable	$11,473.89	
Taxes Accrued or Payable	213.18	
Social Security and Withholding Taxes Payable	3,677.20	
Provision for Taxes on Income	19,500.00	
TOTAL CURRENT LIABILITIES		$ 34,864.27
DUE BERKSHIRE FINE SPINNING ASSOCIATES, INC.		60,099.73
CAPITAL		
Common Stock (300 Shares — No Par Value)	30,000.00	
Earned Surplus — September 30, 1942	$49,481.70	
Add: Net Profit for Year	19,271.56	
Earned Surplus — September 30, 1943	68,753.26	
TOTAL CAPITAL		98,753.26
TOTAL LIABILITIES AND CAPITAL		$193,717.26

CERTIFICATE OF AUDITORS

We have examined the Balance Sheet of Warren Textile and Machinery Supply Co. at September 30, 1943 and the Analysis of Income and Surplus for the year then ended, have reviewed the system of internal control and the accounting procedures and, without making a detailed audit of the transactions, have examined or tested accounting records and other supporting evidence, by methods and to the extent we deemed appropriate. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all procedures which we considered necessary.

In our opinion, the accompanying Balance Sheet and related Analysis of Income and Surplus, present fairly the position of Warren Textile and Machinery Supply Co. at September 30, 1943, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

COMERY, DAVISON & JACOBSON
Certified Public Accountants

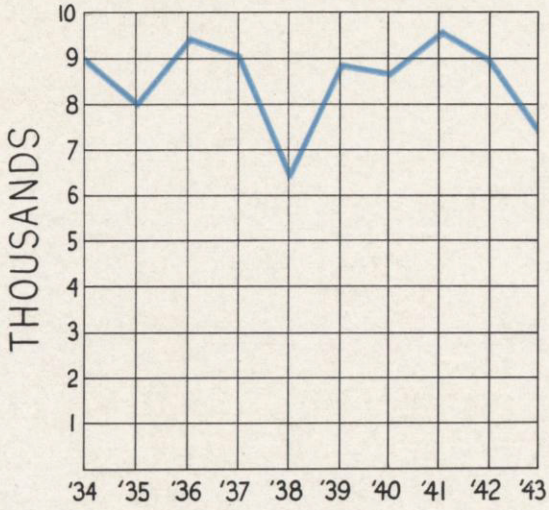
Providence, R. I., October 21, 1943

ROVING

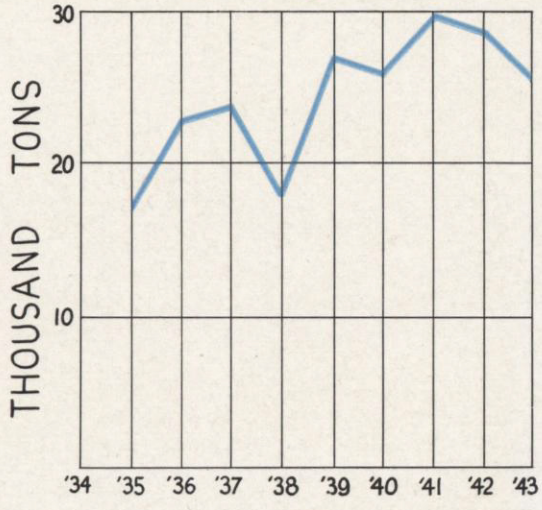
SPINNING

A DECADE OF PROGRESS

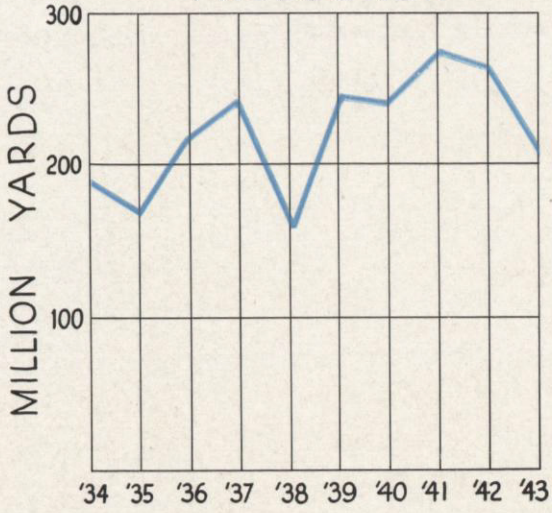
NO. OF EMPLOYEES



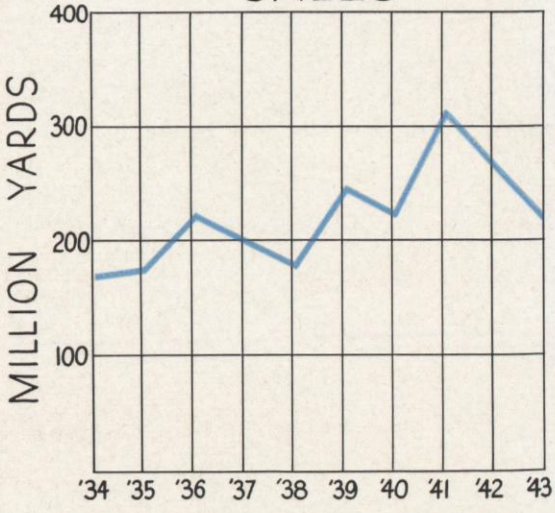
COTTON USED



PRODUCTION



SALES



POWDER BAGS • GAS DECONTAMINATION SUITINGS • NURSES' UNIFORMS

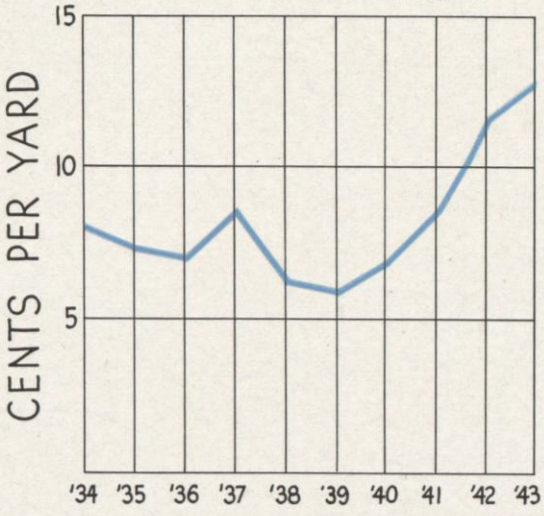
"COTTON FIGHTS ON EVERY FRONT"

"COTTON FIGHTS ON EVERY FRONT"

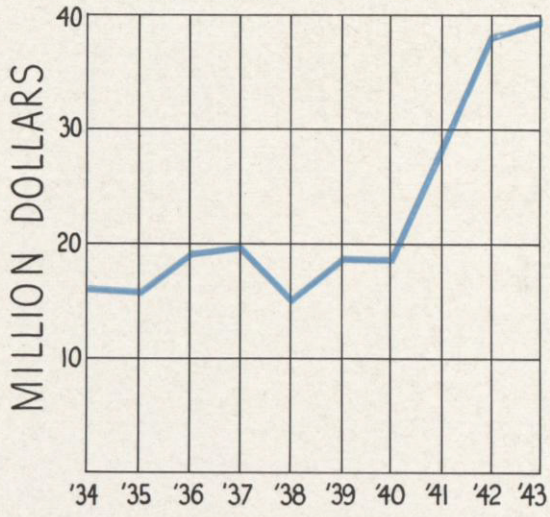
SAND-FLY NETS • FRAGMENTATION BOMB PARACHUTES • WINDBREAKERS

A DECADE OF PROGRESS

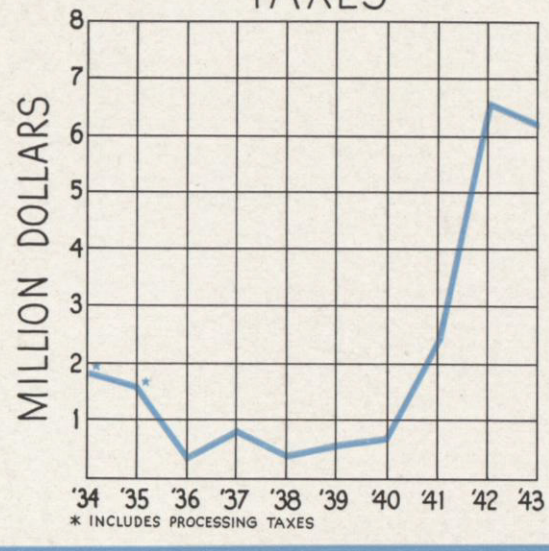
CLOTH PRICES



NET SALES BILLED

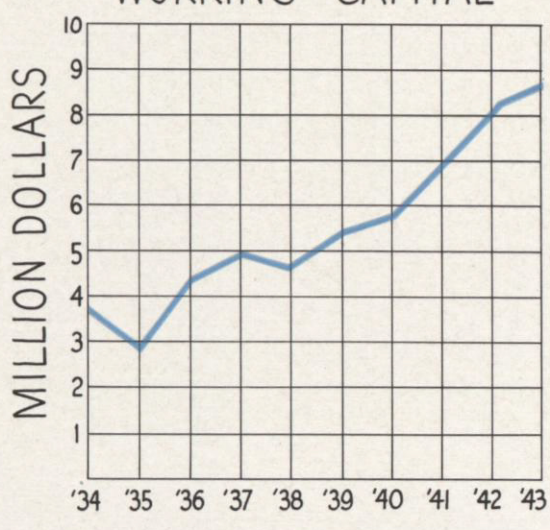


TAXES

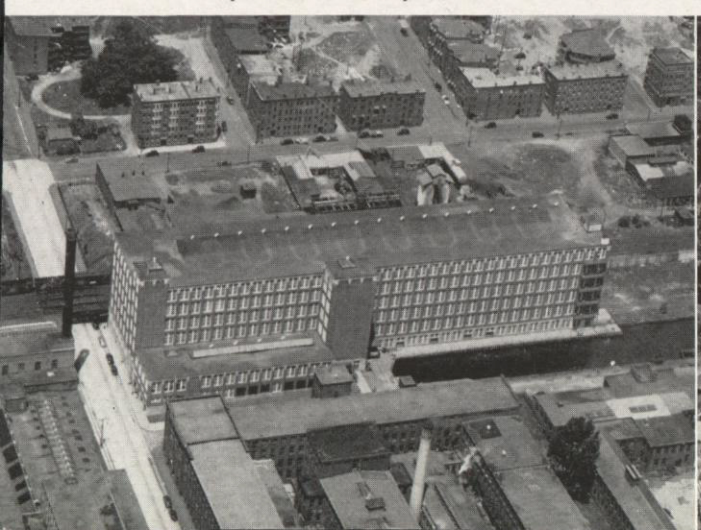


* INCLUDES PROCESSING TAXES

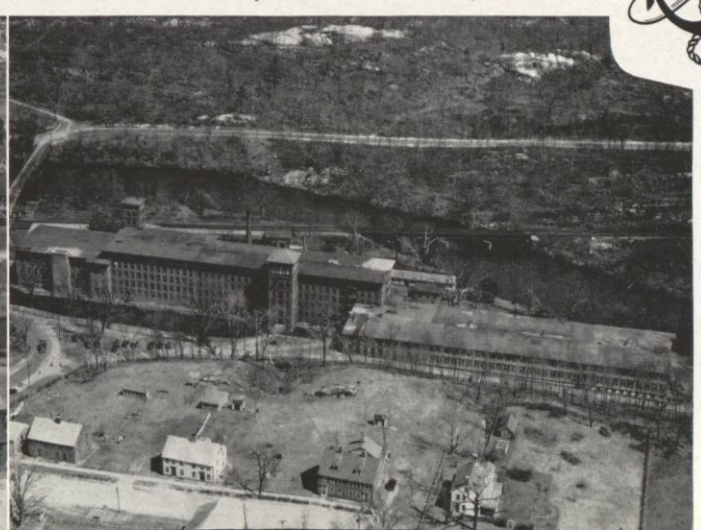
WORKING CAPITAL

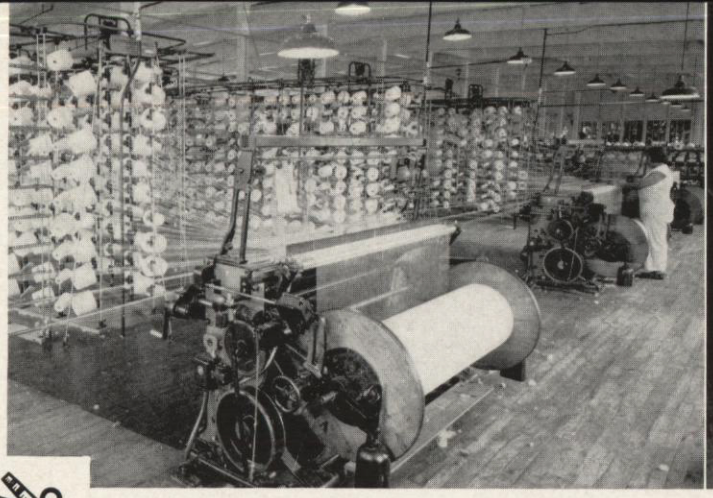


Holyoke Division — Holyoke, Mass.

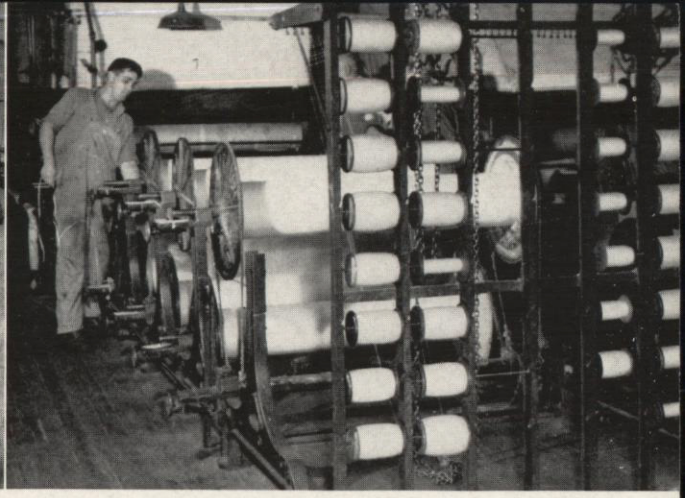


Valley Falls Division — Albion, R. I.





WARPING

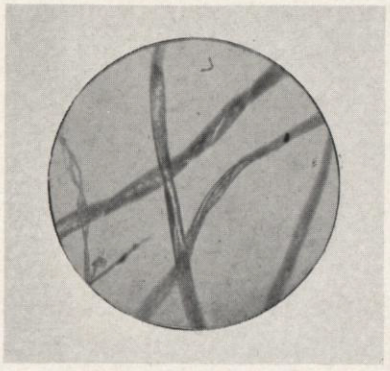


SLASHING

Textile Development Through Research

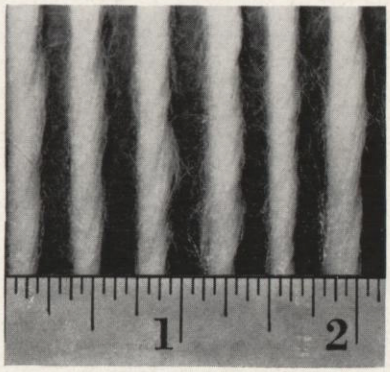
• Berkshire maintains complete testing and research laboratories in order to continue the high quality of its output and to offset the adverse factors resulting from war-time operation.

• Peace-time will again see research at work in the development of new fine fabrics.

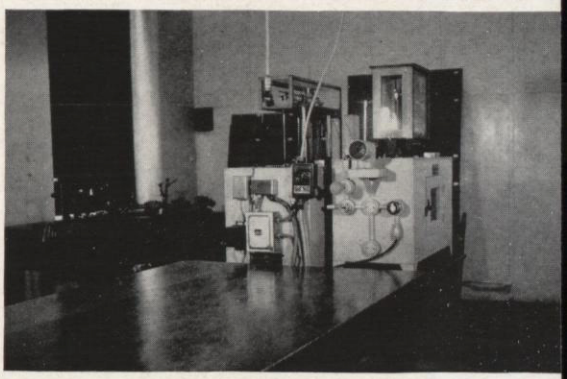


RAW COTTON FIBERS MAGNIFIED

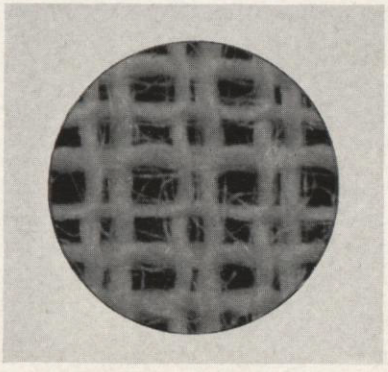
PORTION OF CHEMICAL LABORATORY



SECTIONS OF ROVING YARN MAGNIFIED



DRYING OVENS



SECTION OF CLOTH MAGNIFIED

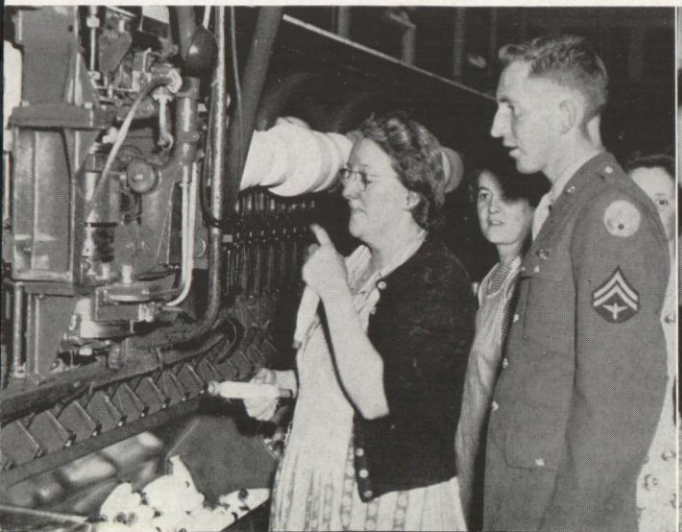
PORTION OF TESTING LABORATORY

TRACING CLOTHS • SURGEONS' OPERATING GOWNS • GAS PROOF CAPES

"COTTON FIGHTS ON EVERY FRONT"

★1024 called to Service

★ *To over one thousand men and women of Berkshire who are now serving their country here and overseas, Berkshire pays special tribute and awaits the opportunity to welcome them after victory.*



WEAVING

INSPECTING

FAMOUS TRADE MARKS
OF TO-DAY'S FIGHTING FABRICS

BERK-SHEER FABRICS

POINTER BRAND
THE MARK OF HONEST VALUE

Window Charm
CREATED BY
BERK-SHEER WEAVERS
Makers of fine fabrics since 1885

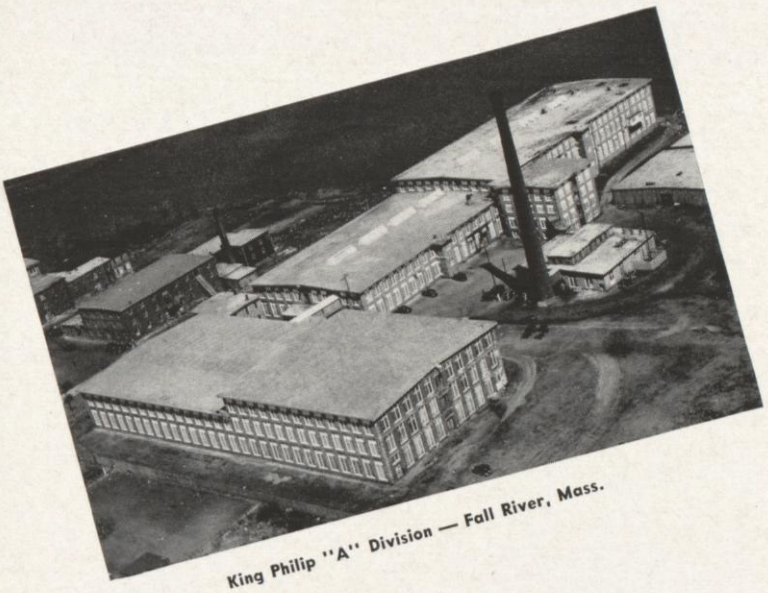
KING PHILLIP
TRADE MARK REG. U.S. PAT. OFF.

AFTER VICTORY

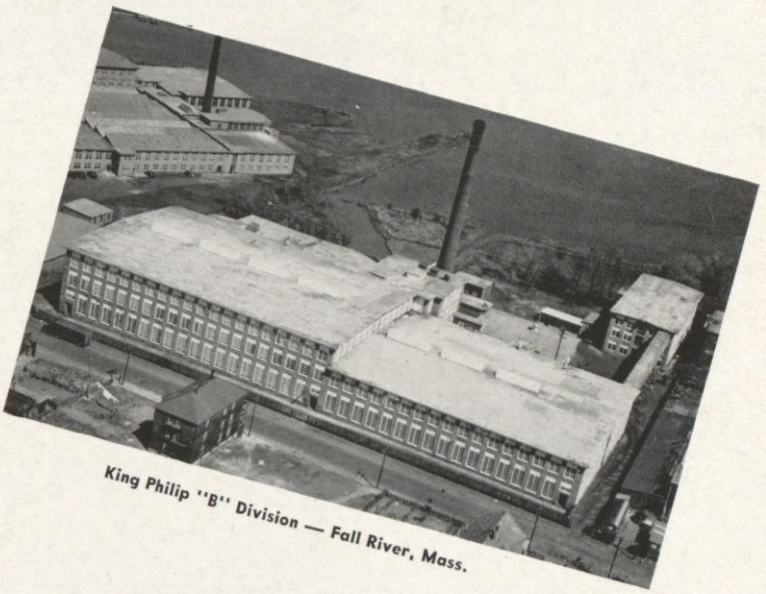
These marks will all be back again on Quality Lawns, Pongees, Voiles, Dimities, Broadcloths, Handkerchiefs and Marquisettes.

BLOUSES FOR WAVES, WACS, SPARS • LININGS • INSULATION FABRIC

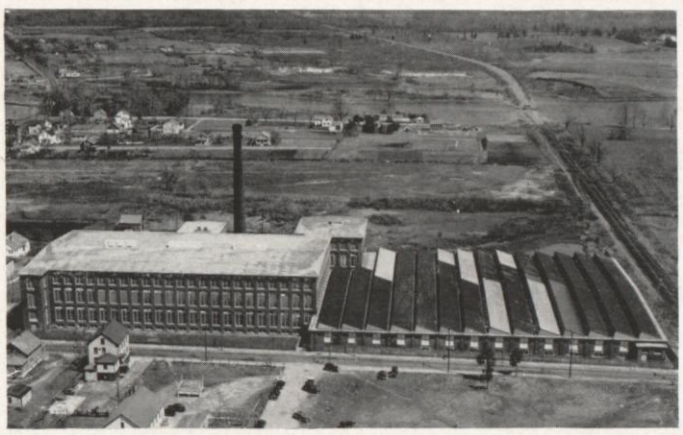
"COTTON FIGHTS ON EVERY FRONT"



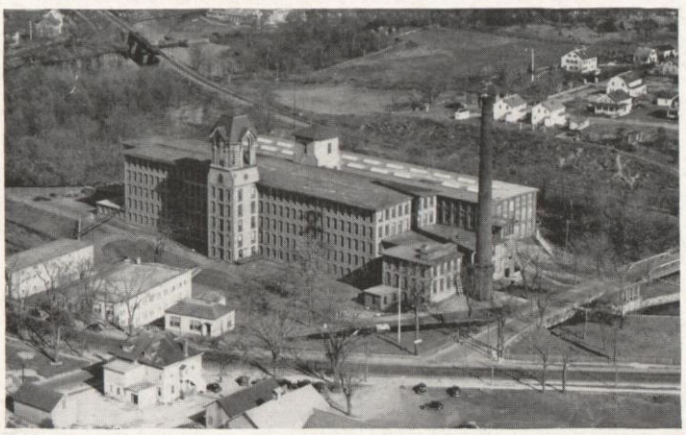
King Philip "A" Division — Fall River, Mass.



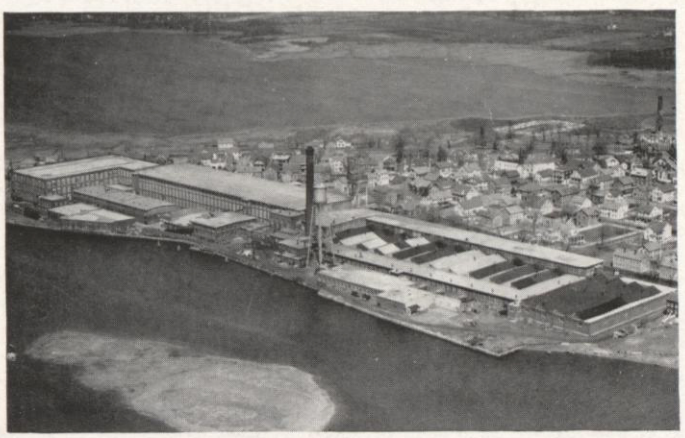
King Philip "B" Division — Fall River, Mass.



King Philip "D" Division — Warren, R. I.



Coventry Division — Anthony, R. I.



Warren Textile — Warren, R. I.

EXECUTIVE OFFICES

TURKS HEAD BUILDING, PROVIDENCE, R. I.

SALES OFFICES

271 CHURCH STREET, NEW YORK, N. Y.
40 WORTH STREET, NEW YORK, N. Y.
261 FIFTH AVENUE, NEW YORK, N. Y.